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THE FIRM HAS ATTORNEYS
LICENSED TO PRACTICE IN:
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19745

November 27, 1995

Vernon A. Williams, Secretary
Interstate Commerce Commission
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11303(a) are two (2) copies of a Security Agreement, dated as of November 20, 1995, a primary document as defined in the Commission's Rules for Recordation of Documents under 49 C.F.R. Section 1177.

The names and addresses of the parties to the enclosed document are:

Debtor: Cape Cod Railroad Corporation
Rochester Road
South Carver, MA 02366

Secured Party: Plymouth Savings Bank
95 Bedford Street
Middleboro, MA 02346

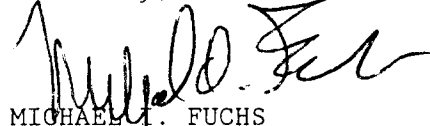
A description of the railroad equipment covered by the enclosed document is:

6 railcars bearing marks and road numbers as set forth in Section 2(b)(i) of the Security Agreement.

Also enclosed is a check in the amount of \$42.00 payable to the order of the Interstate Commerce Commission covering the required fee.

Kindly return one stamped copy of the enclosed document to the undersigned.

Sincerely,


MICHAEL I. FUCHS

MIF/pb



Interstate Commerce Commission
Washington, D.C. 20423-0001

12/4/95

Office Of The Secretary

Michael I. Fuchs
Kaye, Fialkow, Richmond & Rothstein
100 Federal Street
Boston, Massachusetts 02110

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 12/4/95 at 12:25PM, and assigned recordation number(s). 19745.

Sincerely yours,

Vernon A. Williams
Secretary

Enclosure(s)
(0100375049)

Note: \$21.00 refunded on 12/4/95.

\$ 21.00 The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid and in no way indicates acknowledgment that the fee paid is correct. This is accepted subject to review of the document which has been assigned the transaction number corresponding to the one typed on this receipt. In the event of an error or any questions concerning this fee, you will receive a notification after the Commission has had an opportunity to examine your document.

Signature



PLYMOUTH SAVINGS BANK

Big Bank Products, Small Bank Caring.

19745

SECURITY AGREEMENT

(All Asset)

This AGREEMENT entered into at Middleboro, Massachusetts as of November 20, 1995 between Cape Cod Railroad Corporation, a Massachusetts corporation, with an address of Rochester Road, South Carver, Massachusetts 02366 (the "Borrower") and Plymouth Savings Bank, a corporation with an address of 95 Bedford Street, Middleboro, Massachusetts 02346 (the "Bank").

1. Grant of Security Interest. In consideration of the Bank's extending credit and other financial accommodations to the Borrower, whether evidenced by notes or not, the Borrower hereby grants to the Bank a security interest in (including, without limitation, a lien on and pledge of) all of the Borrower's Collateral (as hereinafter defined). The security interest granted by this Agreement is given to and shall be held by the Bank as security for the payment and performance of all Obligations (as hereinafter defined). The Bank shall have the unrestricted right from time to time to apply (or to change any application already made of) the proceeds of any of the Collateral to any of the Obligations, as the Bank in its sole discretion may determine. The Borrower will, at such intervals as the Bank may request, notify the Bank, upon a form satisfactory to the Bank, of all Collateral which has come into existence since the date hereof or the date of the last such notification, including, without limitation, the delivery of schedules of the Collateral and/or proceeds resulting from the sale or other disposition thereof.

2. Definitions. The following definitions shall apply:

- (a) "Code" shall mean the Massachusetts Uniform Commercial Code (General Law, Chapter 106) as amended from time to time.
- (b) "Collateral" shall mean all the Borrower's present and future right, title and interest in and to any and all of the following property, whether such property is now existing or hereafter created, and as also described on Schedule A, attached hereto:

- (i) All goods including without limitation all Inventory, farm products, Equipment, including without limitation machinery, furniture, trade fixtures and all locomotives, railroad cars and other rolling stock whether or not intended for use in interstate commerce including without limitation (a) two (4) GP/9 locomotives identified as No. 1823 and No. 1789; (b) two (2) bud diesel coaches model RDC/1 identified as No. 9157 and No. 6126; (c) one (1) dining car known as "Sconset" identified as BCLR No. 5223; and (d) one (1) kitchen car No. 1016.

- (ii) All accounts, accounts receivable, contract rights, and chattel paper, regardless of whether or not they constitute proceeds of other Collateral

- (iii) All general intangibles, regardless of whether or not they constitute proceeds of other Collateral, including, without limitation, all of the Borrower's rights to tax

refunds and all the Borrower's rights (which the Bank may exercise or not as it in its sole discretion may determine) to acquire or obtain goods and/or services with respect to the manufacture, processing, storage, sale, shipment, delivery or installation of any of the Borrower's inventory or other Collateral:

(iv) All products of and accessions to any of the Collateral;

(v) All liens, guaranties, securities, rights, remedies and privileges pertaining to any of the Collateral, including the right of stoppage in transit;

(vi) All obligations owing to the Borrower of every kind and nature; and all choses in action;

(vii) All goodwill, trade secrets, computer programs, customer lists, trade names, trademarks and patents;

(viii) All documents and instruments (whether negotiable or non-negotiable, and regardless of their being attached to chattel paper);

(ix) All proceeds of Collateral of every kind and nature in whatever form, including, without limitation, both cash and noncash proceeds resulting or arising from the rendering of services by the Borrower or the sale or other disposition by the Borrower of the Inventory or other Collateral;

(x) All books and records relating to the conduct of the Borrower's business including, without in any way limiting the generality of the foregoing, those relating to its accounts; and

(xi) All deposit accounts maintained by the Borrower with any bank, trust company, investment firm or fund, or any similar institution or organization.

- (c) "Contract Rights" or "contract rights" means rights of the Borrower to payment under contracts not yet earned by performance and not evidenced by instruments or chattel paper.
- (d) "Inventory" shall include, without limitation, any and all goods, wares, merchandise and other tangible personal property, including raw materials, work in process, supplies and components, and finished goods, whether held by the Borrower for sale or other disposition, and also including any returned or repossessed inventory or inventory detained from or rejected for entry into the United States by the appropriate governmental authorities, all products of and accessions to inventory and including documents of title, whether negotiable or non-negotiable, representing any of the foregoing.
- (e) "Debtors" shall mean the Borrower's customers who are indebted to the Borrower.
- (f) "Obligation(s)" shall include, without limitation, all loans, advances, indebtedness, notes, liabilities and amounts, liquidated or unliquidated, owing by the Borrower to the Bank at any time, of each and every kind, nature and description, whether arising under this Agreement or otherwise, and whether secured or unsecured, direct or indirect (that is, whether the same are due directly by the Borrower to the Bank; or are due indirectly by the Borrower to the Bank as endorser, guarantor or other surety, or as obligor of obligations due third persons which have been endorsed or assigned to the Bank, or otherwise), absolute or contingent, due or to become due, now existing or hereafter contracted. Said term shall also include all interest and other charges chargeable to the

Borrower or due from the Borrower to the Bank from time to time and all costs and expenses referred to in this Agreement.

- (g) "Person" or "party" shall include individuals, firms, corporations and all other entities.
- (h) "Event of Default" shall mean the occurrence of any one or more of the following events:

(1) default of any liability, obligation or undertaking of the Borrower to the Bank, hereunder or otherwise, including failure to pay in full and when due any installment of principal or interest; (2) failure of the Borrower to maintain aggregate collateral security value satisfactory to the Bank; (3) default of any material liability, obligation or undertaking of the Borrower to any other party; (4) if any statement, representation or warranty heretofore, now, or hereafter made in connection with this Agreement, or in any supporting financial statement of the Borrower shall be determined by Bank to have been false when made in any material respect; (5) if the Borrower or any guarantor of the Obligations is a corporation, trust or partnership, the liquidation, termination or dissolution of any such organization, or the merger or consolidation of such organization in to another entity or its ceasing to carry on actively its present business or the appointment of a receiver for its property; (6) the death of the Borrower or of any guarantor of the Obligations and, if any of the Borrower or any guarantor of the Obligations is a partnership, the death of any partner; (7) the institution by or against the Borrower or guarantor of the Obligations of any proceedings under the Bankruptcy Code, 11 USC §101 et seq. or any other law in which the Borrower or any guarantor of the Obligations is alleged to be insolvent or unable to pay their respective debts as they mature or the making by the Borrower or any guarantor of the Obligations of an assignment for the benefit of creditors or the granting by the Borrower or any guarantor of the Obligations of a trust mortgage for the benefit of creditors; (8) the service upon the Bank hereof of a writ in which the Bank is named as trustee of the Borrower or of any guarantor of the Obligations; (9) a judgment or judgments for the payment of money shall be rendered against the Borrower and any such judgment shall remain unsatisfied and in effect for any period of thirty (30) consecutive days without a stay of execution; (10) any levy, seizure, attachment, execution or similar process shall be issued or levied on any of the property of the Borrower; (11) the termination of any guaranty of the Obligations; or (12) the occurrence of such a change in the condition or affairs (financial or otherwise) of the Borrower or any guarantor or other surety for any of the Obligations or the occurrence of any event or circumstance such that the Bank, in its sole discretion, deems that it is insecure or that the prospects for timely or full payment or performance of any of the Obligations has been or may be impaired.

All words and terms used in this Agreement other than those specifically defined herein shall have the meanings accorded to them in the Code.

3. Ordinary Course of Business. The Bank hereby authorizes and permits the Borrower to hold, process, sell, use or consume in the manufacture or processing of finished goods, or otherwise dispose of the Inventory for fair consideration, all in the ordinary course of the Borrower's business, excluding, without limitation, sales to creditors or in bulk or sales or other dispositions occurring under circumstances which would or could create any lien or interest adverse to the Bank's security interest or other right hereunder in the proceeds resulting therefrom. The Bank also hereby authorizes and permits the Borrower to receive from the Debtors all amounts due as proceeds of the Collateral at the Borrower's own cost and expense, and also liability, if any, subject to the direction and control of the Bank at all times; and the Bank may at any time, without cause or notice, and whether or not a default has occurred or demand has been made, terminate all or any part of the authority and permission herein or elsewhere in this Agreement granted to the Borrower with reference to the Collateral.

Until the Bank shall otherwise notify the Borrower, all proceeds of and collections of Collateral shall be retained by the Borrower and used solely for the ordinary and usual operation of the Borrower's business. From and after notice by the Bank to the Borrower, all proceeds of and collections of the Collateral shall be held in trust by the Borrower for the Bank and shall not be commingled with the Borrower's other funds or deposited in any bank account of the Borrower; and the Borrower agrees to deliver to the Bank on the dates of receipt thereof by the Borrower, duly endorsed to the Bank or to bearer, or assigned to the Bank, as may be appropriate, all proceeds of the Collateral in the identical form received by the Borrower.

4. Allowances. The Borrower may grant such allowances or other adjustments to Debtors (exclusive of extending the time for payment of any item which shall not be done without first obtaining the Bank's written consent in each instance) as the Borrower may reasonably deem to accord with sound business practice, including, without limiting the generality of the foregoing accepting the return of all or any part of the Inventory (subject to the provisions set forth in this Agreement with reference to returned Inventory).

5. Costs and Expenses. The Borrower shall pay to the Bank any and all costs and expenses (including, without limitation, reasonable attorneys' fees, court costs, litigation and other expenses) incurred or paid by the Bank in establishing, maintaining, protecting or enforcing any of the Bank's rights or the Obligations, including, without limitation, any and all such costs and expenses incurred or paid by the Bank in defending the Bank's security interest in, title or right to the Collateral or in collecting or attempting to collect or enforcing or attempting to enforce payment of the Collateral.

6. Books and Records. The Borrower shall hold its books and records relating to the Collateral segregated from all the Borrower's other books and records in a manner satisfactory to the Bank; and shall deliver to the Bank from time to time promptly at its request, all invoices, original documents of title, contracts, chattel paper, instruments and any other writings relating thereto, and other evidence of performance of contracts, or evidence of shipment or delivery of the merchandise or of the rendering of services; and the Borrower will deliver to the Bank promptly at the Bank's request from time to time additional copies of any or all of such papers or writings, and such other information with respect to any of the Collateral and such schedules of Inventory, schedules of accounts and such other writings as the Bank may in its sole discretion deem to be necessary or effectual to evidence any loan hereunder or the Bank's security interest in the Collateral.

7. Legends. The Borrower shall promptly make, stamp or record such entries or legends on the Borrower's books and records or on any of the Collateral as the Bank shall request from time to time to indicate and disclose that the Bank has a security interest in such Collateral.

8. Inspection. The Bank, or its representatives, at any time and from time to time, shall have the right, and the Borrower will permit it and them:

- (a) to examine, check, make copies of or extracts from any of the Borrower's books, records and files (including, without limitation, orders and original correspondence);
- (b) to inspect and examine the Borrower's Inventory or other Collateral and to check and test the same as to quality, quantity, value and condition; and the Borrower agrees to reimburse the Bank for its reasonable costs and expenses in so doing; and
- (c) to verify the Collateral or any portion or portions thereof or the Borrower's compliance with the provisions of this Agreement.

9. Further Assurance. The Borrower will execute and deliver to the Bank any writings and do all things necessary, or requested by the Bank to carry into effect the provisions and intent of this Agreement, or to vest more fully in or assure to the Bank the security interest in the Collateral granted to the Bank by this Agreement or to comply with applicable statute or law and to facilitate the collection of

the Collateral, including the furnishing, at the Borrower's own cost and expense, at such intervals as the Bank may establish from time to time, of reports, financial data and analyses satisfactory to the Bank. A carbon, photographic or other reproduction of this Agreement or any financing statement executed pursuant to the terms hereof shall be sufficient as a financing statement for the purpose of filing with the appropriate authorities.

10. Covenants and Warranties. The Borrower covenants with and warrants to the Bank:

- (a) That all Inventory and Equipment in which the Bank is now or hereafter given a security interest pursuant to this Agreement will at all times be kept and maintained in good order and condition at the sole cost and expense of the Borrower.
- (b) That the Borrower will maintain in force one or more policies of insurance on all Inventory and Equipment against risks of fire (with customary extended coverage), sprinkler leakage, theft, loss or damage and other risks customarily insured against by companies engaged in businesses similar to that of the Borrower in such amounts, containing such terms, in such form, for such periods, covering such hazards and written by such companies as may be satisfactory to the Bank, such insurance to be payable to the Bank as its interest may appear in the event of loss; the policies for the same shall be deposited with the Bank; no loss shall be adjusted thereunder without the Bank's approval; and all such policies shall provide that they may not be canceled without first giving at least ten (10) days' written notice of cancellation to the Bank. In the event that the Borrower fails to provide evidence of the maintenance of such insurance satisfactory to the Bank, the Bank may, at its option, secure such insurance and charge the cost thereof to the Borrower and as a debit charge in the Borrower's Loan Account, if any, or any other account of the Borrower with the Bank. At the option of the Bank, all insurance proceeds received from any loss or damage to any of the Collateral shall be applied either to the replacement or repair thereof or as a payment on account of the Obligations. From and after the occurrence of an Event of Default, or after demand respecting any Obligations payable upon demand, the Bank is authorized to cancel any insurance maintained hereunder and apply any returned or unearned premiums, all of which are hereby assigned to the Bank, as a payment on account of the Obligations.
- (c) That at the date hereof the Borrower is (and as to Collateral that the Borrower may acquire after the date hereof, will be) the lawful owner of the Collateral, and that the Collateral, and each item thereof, is, will be, and shall continue to be free of all restrictions, liens, encumbrances, or other rights, title or interests (other than the security interest therein granted to the Bank hereby), credits, defenses, recoupments, set-offs or counterclaims whatsoever; that the Borrower has and will have full power and authority to grant to the Bank a security interest therein, and that the Borrower has not transferred, assigned, sold, pledged, encumbered, subjected to lien or granted any security interest in, and will not transfer, assign, sell (except sales or other dispositions in the ordinary course of business in respect to Inventory as expressly permitted in this Agreement), pledge, encumber, subject to lien or grant any security interest in any of the Collateral (or any of the Borrower's right, title or interest therein), to any person other than the Bank; that the Collateral is and will be valid and genuine in all respects; that all accounts arise out of legally enforceable and existing contracts in accordance with their tenor; and that upon the Borrower's acquisition of any interest in contract rights, it shall in writing immediately notify the Bank thereof, specifically identifying the same as contract rights, and, except for such contract rights, no part of the Collateral (or the validity or enforceability by the Bank thereof) is or shall be contingent upon the fulfillment of any agreement or condition whatsoever and that the Collateral, other than Inventory and Equipment, shall represent unconditional and undisputed bona fide indebtedness by the Debtor for sales or leases of Inventory shipped and delivered or services rendered by the Borrower to Debtor, and is not and will not be subject to any discount (except such cash

or trade discount as may be shown on any invoice, contract or other writing delivered to the Bank); and that the Borrower will warrant and defend the Bank's right to and interest in the Collateral against all claims and demands of all persons whatsoever.

- (d) That no contract right, account, general intangible or chattel paper is or will be represented by any note or other instrument (negotiable or otherwise), and that no contract right, account or general intangible is, or will be represented by any conditional or installment sales obligation or other chattel paper, except such instruments or chattel paper as have been or forthwith upon receipt by the Borrower will be delivered to the Bank (duly endorsed or assigned, as may be appropriate), such delivery, in the case of chattel paper, to include all executed copies except those in the possession of the installment buyer and that any security for or guaranty of any of the Collateral shall be delivered to the Bank immediately upon receipt thereof by the Borrower, with such assignments and endorsements thereof as the Bank may request.
- (e) That, except for sale, processing, use consumption or other disposition in the ordinary course of business, the Borrower will keep all Inventory and Equipment only at locations specified in this Agreement; that the Borrower shall, during the term of this Agreement, keep the Bank currently and accurately informed in writing of each location where the Borrower's records relating to its accounts and contract rights, respectively, are kept, and shall not remove such records, or any of them, to another state without giving the Bank at least thirty (30) days prior written notice thereof; that the Borrower's chief executive office is correctly stated in the preamble to this Agreement, and Borrower shall, during the term of this Agreement, keep the Bank currently and accurately informed in writing of each of its other places of business, and shall not change the location of such chief executive office or open any new, or close, move or change any existing or new place of business without giving the Bank at least thirty (30) days prior written notice thereof.
- (f) That the Bank shall not be deemed to have assumed any liability or responsibility to the Borrower or any third person for the correctness, validity or genuineness of any instruments or documents that may be released or endorsed to the Borrower by the Bank (which shall automatically be deemed to be without recourse to the Bank in any event) or for the existence, character, quantity, quality, condition, value or delivery of any goods purporting to be represented by any such documents; and that the Bank, by accepting such security interest in the Collateral, or by releasing any Collateral to the Borrower, shall not be deemed to have assumed any obligation or liability to any supplier or Debtor or to any other third party, and the Borrower agrees to indemnify and defend the Bank and hold it harmless in respect to any claim or proceeding arising out of any matter referred to in this Paragraph.
- (g) That each account or other item of Collateral, other than Inventory and Equipment, will be paid in full on or before the date shown as its due date in the schedule of Collateral, in the copy of the invoice(s) relating to the account or other Collateral or in contracts relating thereto; that upon any suspension of business, assignment or trust mortgage for the benefit of creditors, dissolution, petition in receivership or under any chapter of the Bankruptcy Code as amended from time to time by or against any Debtor, any Debtor becoming insolvent or unable to pay its debts as they mature, or any other act of the same or different nature amounting to a business failure, the Borrower will forthwith notify the Bank thereof.
- (h) That the Borrower will immediately notify the Bank of any loss or damage to, or material diminution in or any occurrence which would adversely affect the value of, the Inventory, the Equipment or other Collateral.

- (i) That the Bank may from time to time in the Bank's discretion hold and treat any deposits or other sums at any time credited by or due from the Bank to the Borrower and any securities or other property of the Borrower in the possession of the Bank, whether for safekeeping or otherwise, as collateral security for and apply or set the same off against any Obligations whether or not an Event of Default has occurred or demand has been made. Without limiting the generality of the foregoing, if at any time the amount of the revolving credit as then set by the Bank shall be exceeded, the Borrower shall pay cash to the Bank in the amount of such excess if the Bank so requests, or the Bank may charge such amount against any deposit account of the Borrower with the Bank.
- (j) That at any time or times and whether or not an Event of Default has occurred or demand has been made, the Bank may notify any Debtor or Debtors of its security interest in the Collateral and collect all amounts due thereon; and the Borrower agrees, at the request of the Bank, to notify all or any of the Debtors in writing of the Bank's security interest in the Collateral in whatever manner the Bank requests and, if the Bank so requests, to permit the Bank to mail such notices at the Borrower's expense.
- (k) That if any of the Collateral includes a charge for, or if any loan by the Bank to the Borrower shall be subject to any tax payable to any governmental taxing authority, the Borrower shall pay such tax independently when due. The Bank may retain the full proceeds of the Collateral and the Borrower will indemnify and save the Bank harmless from any loss, cost, liability or expense (including, without limitation, reasonable attorney's fees), in connection therewith.
- (l) That the Bank may, at its option, from time to time, discharge any taxes, liens or encumbrances of any of the Collateral, or take any other action that the Bank may deem proper to repair, maintain or preserve any of the Collateral, and the Borrower will pay to the Bank on demand or the Bank in its sole discretion may charge to the Borrower all amounts so paid or incurred by it or as a debit charge against the Borrower's loan account, if any, or any other deposit account of the Borrower with the Bank.
- (m) That the Bank in its sole discretion from time to time shall have the right to demand and receive from the Borrower additional property of nature and types not included in this Agreement, including, without limitation, interests in real property, and thereupon the words "Collateral" and "security interest" shall be deemed to include, any and all such additional property and the Bank's interests therein. The Borrower shall promptly, upon request of the Bank, deliver, transfer, assign and make over to the Bank all the Borrower's right, title and interest in any such additional property; and shall execute and deliver to the Bank any writings and do all things necessary, effectual or requested by the Bank to vest fully in or assure to the Bank (including, without limitation, all steps to create and perfect) its security interest in such additional property. The Bank shall have in respect to such additional property all the rights, powers, privileges, discretions and immunities granted to it under this Agreement with the same force and effect as if said additional property had been listed herein, including, without limitation, the right to apply such property, or any part thereof, and any proceeds thereof to any Obligation.
- (n) That all representations now or hereafter made by the Borrower to the Bank, whether in this Agreement or in any supporting or supplemental reports, statements or documentation, including, without limitation, statements relating to the Collateral and financial statements, are, will be, and shall continue to be true and correct in all respects.
- (o) That the Collateral shall always remain personal property regardless of its attachment to realty in any manner.

11. Power of Attorney. The Borrower hereby irrevocably constitutes and appoints the Bank as the Borrower's true and lawful attorney, with full power of substitution, at the sole cost and expense of the Borrower but for the sole benefit of the Bank, to convert the Collateral into cash, including, without limitation, completing the manufacture or processing of work in process, and the sale (either public or private) of all or any portion or portions of the Inventory and other Collateral; to enforce collection of the Collateral, either in its own name or in the name of the Borrower, including, without limitation, executing releases, compromising or settling with any Debtors and prosecuting, defending, compromising or releasing any action relating to the Collateral; to receive, open and dispose of all mail addressed to the Borrower and to take therefrom any remittances or proceeds of Collateral in which the Bank has a security interest; to notify Post Office authorities to change the address for delivery of mail addressed to the Borrower to such address as the Bank shall designate; to endorse the name of the Borrower in favor of the Bank upon any and all checks, drafts, money orders, notes, acceptances or other instruments of the same or different nature; to sign and endorse the name of the Borrower on and to receive as secured party any of the Collateral, any invoices schedules of Collateral, freight or express receipts, or bills of lading, storage receipts, warehouse receipts, or other documents of title of the same or different nature relating to the Collateral; to sign the name of the Borrower on any notice of the Debtors or on verification of the Collateral; and to sign and file or record on behalf of the Borrower any financing or other statement in order to perfect or protect the Bank's security interest. The Bank shall not be obliged to do any of the acts or exercise any of the powers hereinabove authorized, but if the Bank elects to do any such act or exercise any such power, it shall not be accountable for more than it actually receives as a result of such exercise of power, and it shall not be responsible to the Borrower except for willful misconduct in bad faith. All powers conferred upon the Bank by this Agreement, being coupled with an interest, shall be irrevocable so long as any Obligation of the Borrower to the Bank shall remain unpaid.

Whenever the Bank deems it desirable that any legal action be instituted with respect to any Collateral or that any other action be taken in any attempt to effectuate collection of any Collateral, the Bank may reassign the item in question to the Borrower (and if the Bank shall execute any such reassignment, it shall automatically be deemed to be without recourse to the Bank in any event) and require the Borrower to proceed with such legal or other action at the Borrower's sole liability, cost and expense, in which event all amounts collected by the Borrower on such item shall nevertheless be subject to the Bank's security interest.

12. Default. If an Event of Default shall occur, at the election of the Bank, all Obligations shall become immediately due and payable without notice or demand, except with respect to Obligations payable on DEMAND, which shall be due and payable on DEMAND, whether or not an Event of Default has occurred.

The Bank is hereby authorized, at its election, after an Event of Default or after Demand, without any further demand or notice except to such extent as notice may be required by applicable law, to take possession and/or sell or otherwise dispose of all or any of the Collateral at public or private sale; and the Bank may also exercise any and all other rights and remedies of a secured party under the Code or which are otherwise accorded to it by applicable law, all as the Bank may determine. If notice of a sale or other action by the Bank is required by applicable law, unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, the Borrower agrees that five (5) days' written notice to the Borrower, or the shortest period of written notice permitted by such law, whichever is larger, shall be sufficient notice; and that to the extent permitted by law, the Bank, its officers, attorneys and agents may bid and become purchasers at any such sale, if public, and may purchase at any private sale any of the Collateral that is of a type customarily sold on a recognized market or which is the subject of widely distributed standard price quotations. Any sale (public or private) shall be free from any right of redemption, which the Borrower hereby waives and releases. No purchaser at any sale (public or private) shall be responsible for the application of the purchase money. Any balance of the net proceeds of sale remaining after paying all Obligations of the Borrower to the Bank shall be returned to the Borrower or to such other party as may be legally entitled thereto; and if there is a deficiency, the Borrower shall be responsible for the same, with interest. Upon demand by the Bank, the Borrower shall assemble the Collateral and make it available to the Bank at a place designated by the Bank which is reasonably convenient to the Bank and the Borrower. The Borrower hereby

acknowledges that the Bank has extended credit and other financial accommodations to the Borrower upon reliance of the Borrower's granting the Bank the rights and remedies contained in this Agreement including without limitation the right to take immediate possession of the Collateral upon the occurrence of an Event of Default or after DEMAND with respect to Obligations payable on DEMAND and the Borrower hereby acknowledges that the Bank is entitled to equitable and injunctive relief to enforce any of its rights and remedies hereunder or under the Code and the Borrower hereby waives any defense to such equitable or injunctive relief based upon any allegation of the absence of irreparable harm to the Bank.

13. Indemnification. The Borrower shall indemnify, defend, and hold the Bank harmless of and from any claim brought or threatened against the Bank by the Borrower, any guarantor or endorser of the Obligations, or any other person (as well from attorneys' reasonable fees and expenses in connection therewith) on account of the Bank's relationship with the Borrower, or any guarantor or endorser of the Obligations (each of which may be defended, compromised, settled, or pursued by the Bank with counsel of the Bank's election, but at the expense of the Borrower). The within indemnification shall survive payment of the Obligations, and/or any termination, release, or discharge executed by the Bank in favor of the Borrower.

14. Waivers. The Borrower waives notice of nonpayment, demand, presentment, protest or notice of protest of the Collateral, and all other notices, consents to any renewals or extensions of time of payment thereof, and generally waives any and all suretyship defenses and defenses in the nature thereof. No delay or omission of the Bank in exercising or enforcing any of its rights, powers, privileges, remedies, immunities or discretions (all of which are hereinafter collectively referred to as "the Bank's rights and remedies") hereunder shall constitute a waiver thereof; and no waiver by the Bank of any default of the Borrower hereunder or of any demand shall operate as a waiver of any other default hereunder or of any other demand. No term or provision hereof shall be waived, altered or modified except with the prior written consent of the Bank, which consent makes explicit reference to this Agreement. Except as provided in the preceding sentence, no other agreement or transaction, of whatsoever nature, entered into between the Bank and the Borrower at any time (whether before, during or after the effective date or term of this Agreement) shall be construed as a waiver, modification or limitation of any of the Bank's rights and remedies under this Agreement (nor shall anything in this Agreement be construed as a waiver, modification or limitation of any of the Bank's rights and remedies under any such other agreement or transaction) but all the Bank's rights and remedies not only under the provisions of this Agreement but also under any such other agreement or transaction shall be cumulative and not alternative or exclusive, and may be exercised by the Bank at such time or times and in such order of preference as the Bank in its sole discretion may determine.

15. Severability. If any provision of this Agreement or portion of such provision or the application thereof to any person or circumstance shall to any extent be held invalid or unenforceable, the remainder of this Agreement (or the remainder of such provision) and the application thereof to other persons or circumstances shall not be affected thereby.

16. Binding Effect of Agreement. This Agreement shall be binding upon and inure to the benefit of the respective heirs, executors, administrators, legal representatives, successors and assigns of the parties hereto, and shall remain in full force and effect (and the Bank shall be entitled to rely thereon) until terminated as to future transactions by written notice from either party to the other party of the termination hereof; provided that any such termination shall not release or affect any Collateral in which the Bank already has a security interest or any Obligations incurred or rights accrued hereunder prior to the effective date of such notice (as hereinafter defined) of such termination. Notwithstanding any such termination, the Bank shall have a security interest in all Collateral to secure the payment and performance of Obligations arising after such termination as a result of commitments or undertakings made or entered into by the Bank prior to such termination. The Bank may transfer and assign this Agreement and deliver the Collateral to the assignee, who shall thereupon have all of the rights of the Bank; and the Bank shall then be relieved and discharged of any responsibility or liability with respect to this Agreement and the Collateral.

17. Notices. Any notices under or pursuant to this Agreement shall be deemed duly received by the Borrower and effective if delivered in hand to any officer or agent of the Borrower, or if mailed by registered or certified mail, return receipt requested, addressed to the Borrower at the Borrower's last address on the Bank's records. Any notices to the Bank under or pursuant to this Agreement shall be mailed to the Bank by registered, certified, or express mail, return receipt requested, addressed to the Bank at the address shown at the beginning of this Agreement and shall be deemed effective five (5) days after receipt by the Bank.

18. Massachusetts Law. This Agreement is intended to take effect as a sealed instrument and has been executed or completed and is to be performed in Massachusetts, and it and all transactions thereunder or pursuant thereto shall be governed as to interpretation, validity, effect, rights, duties and remedies of the parties thereunder and in all other respects by the domestic laws of Massachusetts.

19. Reproductions. This Agreement and all documents which have been or may be hereinafter furnished by Borrower to the Bank may be reproduced by the Bank by any photographic, photostatic, microfilm, xerographic, or similar process, and any such reproduction shall be admissible in evidence as the original itself in any judicial or administrative proceeding (whether or not the original is in existence and whether or not such reproduction was made in the regular course of business).

20. Jurisdiction and Venue. Borrower irrevocably submits to the non-exclusive jurisdiction of any federal or state court sitting in Boston, Massachusetts over any suit, action or proceeding arising out of or relating to this Agreement. Borrower irrevocably waives, to the fullest extent it may effectively do so under applicable law, any objection it may have or hereafter have to the laying of the venue of any such suit, action or proceeding brought in any such court and any claim that the same has been brought in an inconvenient forum. Borrower irrevocably appoints the Secretary of State of the Commonwealth of Massachusetts as its authorized agent to accept and acknowledge on its behalf any and all process which may be served in any such suit, action or proceeding, consents to such process being served (i) by mailing a copy thereof by registered or certified mail, postage prepaid, return receipt requested, to Borrower's address shown below or as notified to the Bank and (ii) by serving the same upon such agent and agrees that such service shall in every respect be deemed effective service upon Borrower.

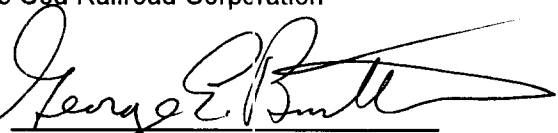
21. JURY WAIVER. THE BORROWER AND BANK EACH HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY, AND AFTER AN OPPORTUNITY TO CONSULT WITH LEGAL COUNSEL, WAIVE ANY AND ALL RIGHTS TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING IN CONNECTION WITH THIS AGREEMENT, THE OBLIGATIONS, IN ALL MATTERS CONTEMPLATED HEREBY AND DOCUMENTS EXECUTED IN CONNECTION HERewith. THE BORROWER CERTIFIES THAT NEITHER THE BANK NOR ANY OF ITS REPRESENTATIVES, AGENTS OR COUNSEL HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT THE BANK WOULD NOT IN THE EVENT OF ANY SUCH PROCEEDING, SEEK TO ENFORCE THIS WAIVER OF RIGHT TO TRIAL BY JURY.

Witness

Borrower:

Cape Cod Railroad Corporation



By: 
George E. Bartholomew, President

Accepted: Plymouth Savings Bank

By: [Signature]
Name: John Bermingham
Title: Vice President

COMMONWEALTH OF MASSACHUSETTS

Plymouth, ss.

November 20, 1995

On this 20 day of November, 1995 before me personally appeared George E. Bartholomew, to me personally known, who being by me duly sworn, says that he is the President of Cape Cod Railroad Corporation, that the seal affixed to the foregoing is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[Signature], Notary Public
My Commission expires: July 13, 2001

COMMONWEALTH OF MASSACHUSETTS

Plymouth, ss.

November 20, 1995

On this 20 day of November, 1995 before me personally appeared John Bermingham, to me personally known, who being by me duly sworn, says that he is the Vice President of Plymouth Savings Bank, that the seal affixed to the foregoing is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[Signature], Notary Public
My Commission expires: July 13, 2001

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